

STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA

(PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001)

(916) 445-4588

July 8, 1988



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Executive Secretary

Dear Mr.

This is in response to your letters of April 29 and June 3, 1988. We regret that current workloads have prevented an earlier response to your inquiry.

Your letters state that you understand that a county may issue a supplemental assessment on the real property of a decedent without regard to the limitation periods for filing claims with the probate court. You also state that the assessment can be collected from the heirs if the estate has been settled and final distribution made. You ask that if these statements are correct then what is the statute of limitation's period for billing the supplemental assessment?

By way of background, the provisions for supplemental assessments are found at section 75, and following, of the Revenue and Taxation Code (all section references herein are to the Revenue and Taxation Code). Section 75.10 provides, in part, that whenever a change in ownership occurs the assessor shall appraise the property changing ownership at its full cash value on the date the change in ownership occurs. The value so determined shall be its new base year value. Section 75.31 provides that when the assessor has determined a new base year value pursuant to section 75.10 the assessor shall send a notice to the assessee showing the new base year value and various other items of information including the procedure for filing claims for exemption and the assessee's right to appeal the supplemental assessment. Section 75.41 provides for computation of the tax by the county auditor. Section 75.51 provides for mailing of the supplemental tax bills to the assessee and section 75.54 provides that the taxes become a lien against the real property on the date of the change in ownership. As you can see, all of these provisions are found in the Revenue and Taxation Code and they operate independently of the probate proceedings. These provisions place no time limits on the assessor and other county officials to determine the new base year value pursuant to section 75.10, issue a notice to assessee pursuant to section 75.31, or compute the

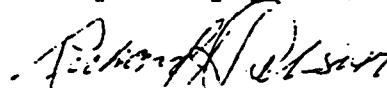
July 18, 1988

tax and issue the tax bills pursuant to sections 75.41 and 75.51. Thus, there are no time limits within which the County must complete these procedures.

With respect to decedent's estates, Property Tax Rule 462(n)(3) (Title 18 of the California Administrative Code) provides that the date of change in ownership for a transfer of real property resulting from an inheritance (by will or intestate succession) occurs at the date of death of the decedent. (See also California Academy of Sciences v. County of Fresno (1987) 192 Cal.App.3d 1436.) Thus, there is a change in ownership of the decedent's real property on the date of his or her death and the supplemental assessment provisions discussed above require that the assessor appraise the property as of that date to establish its new base year value for supplemental assessment purposes. Generally speaking, the assessor has no way of knowing about this type of change in ownership unless he or she is notified of it. For that reason, section 480(b) requires that the administrator or the executor file a change in ownership statement in each county where the decedent owned property. This statement is required to be filed at the time the inventory and appraisal is filed with the probate court. Unfortunately, this notice requirement is not always observed. Delays in the issuance of supplemental assessments can often be traced to the failure of the administrator or executor to follow the requirements of section 480(b). If you have received a supplemental assessment which you feel was excessively delayed, you may wish to check into whether a timely change in ownership statement was filed.

I hope the above information is responsive to your question. Again, please accept our apologies for the delay in this response.

Very truly yours,



Richard H. Ochsner
Assistant Chief Counsel

RHO:cb/1124D

cc: Honorable Robert C. Petersen
Santa Cruz County Assessor
Honorable Conway H. Collis
Member
Mr. Gordon P. Adelman
Mr. Robert H. Gustafson
Mr. Verne Walton
Mr. Robert K. Keeling